

Agenda Item #9



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commissioners
From: Jonathan Wayne, Executive Director
Re: Request by Maine Republican Party to Investigate Apparent Violations by
Candidates Katherine Cassidy and Geoffrey Gratwick
Date: October 24, 2012

The Maine Ethics Commission received the attached October 4, 2012 letter from the Maine Republican Party (MRP) requesting five investigations. The Commission staff gathered preliminary information from the respondents. After reviewing the information, the MRP withdrew Requests #2, #4, and #5. The Commission staff believes that no violations occurred with respect to those three requests, so we believe that you can ignore them.

We recommend only considering Request #1 (House candidate Katherine Cassidy) and Request #3 (Senate candidate Geoffrey Gratwick).

Request No. 1 – Katherine Cassidy

Relevant Law. Candidates seeking Maine Clean Election Act (MCEA) funding may collect seed money contributions, which are defined as contributions of up to \$100 *from individuals*. (21-A M.R.S.A. § 1122(9)) The MCEA states that:

To be eligible for certification, a participating candidate may collect and spend only seed money contributions subsequent to becoming a candidate and prior to certification.

(21-A M.R.S.A. § 1125(2-A)) As noted by the MRP, the Commission's guidance and form warn against accepting contributions from other sources, such as associations, PACs, parties, etc.

Allegation by MRP. House candidate Katherine Cassidy accepted a \$25 seed money contribution from the Hayes for ME PAC (the leadership PAC established by Assistant Democratic Leader Terry Hayes). This was in violation of the seed money restrictions, because seed money may only be donated by individuals.

Response by Katherine Cassidy. Ms. Cassidy explains that she accepted the contribution because she thought they were personal funds from Rep. Hayes. The error was unintentional. Representative Hayes has remedied the situation by paying \$25 in personal funds to the PAC. Accordingly, Ms. Cassidy respectfully asks that the Commission assess no penalty for the error.

Additional Information Provided by Hon. Teresea Hayes

In response to the MRP's second request for an investigation (now withdrawn), Rep. Hayes explains that she originally wrote a check for Ms. Cassidy from her personal funds in March 2012, but the candidate returned it. Then, the candidate requested a check just before the April 20, 2012 deadline for MCEA funding. Rep. Hayes intended to write the second check from her personal funds, but used the wrong checkbook. After the MRP's complaint was filed, Rep. Hayes used \$25 in personal funds to reimburse the PAC.

Rep. Hayes provided an image of the check. The account name printed on the check is:

Teresea Hayes
Hayes for ME

The check does not state it is from a PAC.

Recommendation by Commission Staff. Ms. Cassidy was under a duty to make sure that her seed money contributions were from permitted sources (*i.e.*, individuals only). We recommend finding that Ms. Cassidy violated 21-A M.R.S.A. § 1125(2-A) by accepting a contribution from the Hayes for ME PAC that was outside the seed money restrictions. We recommend no financial penalty for the violation because we think it was an unintentional mistake that was understandable because the first line of the check was printed with the account name of Teresea Hayes.

Under the Commission's Rules (attached), the Commission may waive unintentional, minor violations of the seed money restrictions that have been remedied. So, the staff does not believe that Ms. Cassidy's participation in the MCEA program should be in question.

Request No. 3 – Geoffrey Gratwick

Relevant Law. When a candidate spends money on mail to voters advocating for the candidate's election, the communication "must clearly state the name ... of the person who made or financed the expenditure for the communication" and "must clearly and conspicuously state that the communication" has been authorized by the candidate. (21-A M.R.S.A. § 1014(1))

Allegation by MRP. The MRP alleges that State Senate candidate Geoffrey Gratwick has violated the disclaimer requirements by mailing handwritten notes on printed postcards that did not identify him as the person who financed the cards and that did not state that he authorized the expenditure.

Response by Geoffrey Gratwick. Mr. Gratwick explains that he purchased pre-stamped postcards from the postal service which he used to write follow-up notes to residents he

has visited. He used his home computer to print a Vote Gratwick logo on the card. He discloses that he mistakenly sent 505 postcards without the required disclaimer. He states that the omission was unintentional and he has since corrected the error.

Recommendation by Commission Staff. The Commission staff recommends that you find Geoffrey Gatwick has violated 21-A M.R.S.A. § 1014(1) because he sent mail to voters that did not include a statement that he paid for them and that he authorized the expenditure. The staff recommends no financial penalty. There appears to be little harm to the public from the omission.

Thank you for your consideration of this memo.

**IRWIN
&
TARDY
MORRIS**

William P. Logan
wlogan@itmlaw.com

159 Main Street
P.O. Box 476
Newport, Maine 04953

207.368.2828 T
207.368.2822 F

October 4, 2012

Jonathan Wayne, Executive Director
Maine Commission on Governmental Ethics and Election Practices
135 State House Station
Augusta, ME 04333

Re: *Requests for Investigations*

Dear Jonathan:

The Maine Republican Party (the "Party"), pursuant to 21-A. M.R.S.A. §1003 and Commission Rule 94-270 C.M.R. ch. 1, § 4(2)(C), hereby requests that the Commission staff investigate the election practices and/or campaign finance reports of Kathleen Cassidy, the Hayes for Maine PAC, including its Principal and Treasurer, Geoffrey Gratwick, the MSEA Local 1989 SEIU, and the Maine Democratic State Committee. The specific requests for investigation are as set forth below.

Request No. 1: KATHLEEN CASSIDY

Seed Money Violation

Kathleen Cassidy is the Democratic candidate in House District 32. Ms. Cassidy is running as a certified Maine Clean Election Candidate. Ms. Cassidy has previously run for legislative office in 2010 and in 2008, both times as a Clean Election candidate. On April 27, 2012, Ms. Cassidy personally filed a Seed Money Report with the Commission. That report indicated total seed money receipts of \$500.00, and total seed money expenditures of \$500.00. Ms. Cassidy's report indicated receipt of \$100.00 from Jon Hinek, \$25.00 from the candidate herself, and \$375.00 from unknown contributors providing less than \$50.00. A copy of Ms. Cassidy's seed money report is attached as Attachment 1.

A review of the 11-day Pre-Primary Report filed by the Hayes for ME PAC indicates that the Hayes for ME PAC made a seed money contribution to the Cassidy campaign on April 16, 2012. This report is attached as Attachment 2. This is a clear violation of Maine's Clean Election Act. 21-A M.R.S.A. §1122(9) requires that seed money contributions must be from individuals, not PACs. Additionally, the Commission's guidance specifically provides that: "Seed money must comply with the following restrictions: ... "[n]o contribution may be accepted from businesses, groups, or associations, *such as political action committees*, party committees, labor unions, or trade

associations.” *2012 Candidate’s Guide: Running for Office in Maine, Maine Clean Election Act Candidates*; p.6. (emphasis supplied). The relevant portion is attached as Attachment 3. Finally, the Seed Money Report itself clearly states that: “[o]nly *individuals* may make seed money contributions. Contributions must be from their *personal funds* and not from other sources” (emphasis added).

It is clear that Kathleen Cassidy accepted a seed money contribution that violates the Maine’s Clean Election Act and the Commission’s regulations. The previously referenced reports require that the Commission investigate *all* seed money contributions received by Kathleen Cassidy to determine whether she accepted any other contributions in violation of Maine Law. Moreover, the Commission should determine the impact of any improper contributions on Ms. Cassidy’s seed money expenditures. If the Commission determines that Ms. Cassidy received seed money contributions in violation of Maine’s statutes and/or Commission Regulations, the Commission should also determine whether Ms. Cassidy’s seed money expenditures are excessive and violate 21-A M.R.S.A. §1125 (2-A).

Based on the foregoing facts, the Party requests that the Commission investigate and determine whether Kathleen Cassidy violated Maine’s Clean Election Act by accepting a seed money contribution from the Hayes for ME PAC and whether she should be assessed a fine pursuant to 21-A M.R.S.A. §1127 or whether her certification as a Clean Election candidate should be revoked pursuant to 21-A M.R.S.A. §5-A.

Withdrawn

Request No. 2: HAYES FOR ME PAC,
REP. TERRY HAYES & TREASURER DOREEN SHEIVE
Improper Seed Money Contribution

Hayes for ME PAC is a “leadership” PAC for Terry Hayes, the current Assistant Minority Leader in the Maine House of Representatives and a certified Maine Clean Election Candidate. As described above, the Hayes for ME PAC provided a seed money contribution to Kathleen Cassidy on April 16, 2012. Also, as described above, only individuals may make seed money contributions, PACs cannot make seed money contributions. All seed money contributions must be from an individual’s *personal funds*.

In this circumstance it is clear from the campaign finance report filed by the PAC’s Treasurer, Doreen Shieve, who is also a certified Maine Clean Election candidate in this election, that the Hayes for Maine PAC made a seed money contribution to Kathleen Cassidy’s campaign. What remains unclear from the report is whether that contribution was intended to be from the PAC or whether it was intended to be on behalf of Rep. Hayes. It is also impossible to tell from the report whether Representative Hayes signed the improper seed money contribution check or whether it was signed by the PAC’s Treasurer, Doreen Sheive. Both Rep. Hayes and Ms. Sheive are current certified Maine Clean Election Candidates and should be aware of the rules and regulations concerning seed money.

Pursuant to 21-A M.R.S.A. §1004 (3)(A)(2) A person¹ may not knowingly make a contribution in the name of another person. Making a contribution in the name of another constitutes a Class E crime. 21-A M.R.S.A. §1004. The Party submits that the foregoing facts justify an investigation by the Commission to determine whether the seed money contribution from the Hayes for ME PAC was intended to be on behalf of Representative Terry Hayes personally and, if so, whether that contribution constitutes a violation of 21-A M.R.S.A. §1004. Accordingly, the Party requests that the Commission investigate the circumstances surrounding this improper seed money contribution and determine whether to impose a sanction on the PAC, Representative Hayes or Treasurer Doreen Sheive and/or whether to refer the matter to the Attorney General's Office.

Request No. 3: GEOFFREY GRATWICK

Failure to Include Disclosure on Communications

Geoffrey Gratwick is the Democratic candidate for Senate District 32. Mr. Gratwick is running as a certified Maine Clean Election Candidate. Upon information and belief, Mr. Gratwick has recently been mailing notes (the "Gratwick Notes") to various individuals within Senate District 32. A copy of one of the Gratwick Notes is attached as Attachment 4.

Maine's Election Law requires that communications that expressly advocate for the election or defeat of a clearly identified candidate include a disclaimer. The disclaimer must clearly and conspicuously state who paid for and authorized the communication. 21-A M.R.S.A. §1014(1). If the communication was not authorized by the candidate or candidate's committee, the disclaimer must include "NOT PAID FOR OR AUTHORIZED BY ANY CANDIDATE" in not smaller than 12 point, bold Times New Roman Print. 21-A M.R.S.A. §1014(2).

The Gratwick Notes fail to include any disclaimer whatsoever. The Gratwick notes clearly refer to Geoff Gratwick as a candidate for Senate District 32. The also clearly constitute express advocacy, with the phrase "VOTE GRATWICK" on the back of the mailing. The mailings are also obviously professionally printed. Therefore, including the statutorily required disclaimer language could have been easily accomplished. Accordingly, these notes clearly violate 21-A M.R.S.A. §1014. While the return address on the notes appears to be the address of the candidate, and the notes appear to contain the signed first name of the candidate, these facts do not excuse Mr. Gratwick from complying with the requirements of 21-A M.R.S.A. §1014.

Based on the foregoing facts, the Party requests that the Commission investigate and determine whether Geoff Gratwick has violated Maine's Election Law by failing to include any disclaimer on written communications expressly advocating for his election and whether to impose a fine pursuant to 21-A M.R.S.A. §1014(4).

¹ The definition of "person" includes committees. See 21-A M.R.S.A. §1001(3).

Withdrawn

Request No. 4: MSEA-SEIU LOCAL 1989

Failure to Include Disclosure on Communications and file Independent Expenditure Report

The Maine State Employee Association – SEIU Local 1989 has recently mailed out communications in support of Doreen Sheive, the Democratic candidate for House District 56. A copy of that mailer (the “Sheive mailer”) is attached hereto as Attachment 5.

Maine’s Election Law requires that communications that expressly advocate for the election or defeat of a clearly identified candidate include a disclaimer. The disclaimer must clearly and conspicuously state who paid for and authorized the communication. 21-A M.R.S.A. §1014(1). If the communication was not authorized by the candidate or candidate’s committee, the disclaimer must include “NOT PAID FOR OR AUTHORIZED BY ANY CANDIDATE” in not smaller than 12 point, bold Times New Roman Print. 21-A M.R.S.A. §1014(2).

There is no doubt that Doreen Sheive is a clearly identified candidate for election. There can also be no doubt that the Sheive mailer expressly advocates for her election. Accordingly, the absence of any disclosure concerning who paid for and authorized the mailer violates 21-A M.R.S.A. §21-A M.R.S.A. §1014(1). While the return address on the mailer indicates that the mailer was sent from MSEA/SEIU, that information does not relieve the sender from its obligation to comply with the statutorily required disclaimer language. Moreover, if the Sheive mailer was not authorized by Doreen Sheive’s campaign, the failure to include the “NOT PAID FOR OR AUTHORIZED BY ANY CANDIDATE” violates 21-A M.R.S.A. §1014(2).

Finally, a review of the Independent Expenditure reports filed to date reveals that the Maine State Employee Association – SEIU Local 1989 has not filed any Independent Expenditure reports in support of Doreen Shieve. The mailing clearly falls within the definition of an independent expenditure, “any expenditure made by a person, party, committee, political committee or political action committee, other than by contribution to a candidate or a candidate’s authorized political committee, for any communication that expressly advocates for the election or defeat of a clearly identified candidate.” 21-A M.R.S.A. §1019-B(1). As such, if the total expenditure was greater than \$250.00, an independent expenditure report was required to be filed within 48 hours.

Based on the foregoing facts, the Party requests that the Commission investigate and determine whether the Maine State Employee Association – SEIU Local 1989 has violated Maine’s Election Law by failing to include any disclaimer on written communications expressly advocating for the election of a clearly identified candidate and failing to file a timely Independent Expenditure report and, if so, whether to impose a fine pursuant to 21-A M.R.S.A. §1014(4) and/or 21-A M.R.S.A. §1062-A .

Jonathan Wayne
October 4, 2012
Page 5 of 5

Withdrawn

Request No. 5: Maine Democratic State Committee
Independent Expenditure Violations

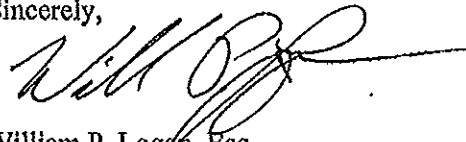
The Maine Democratic State Committee has filed several independent expenditure reports in connection with numerous Senate and House candidates. See previous Attachments 8 and 9 and Attachment 12. These expenditures total \$245,357.50. The Party believe that these reports do not substantially comply with the statutory requirements set forth in 21-A M.R.S.A. §1019-B(4)(B) which requires the report to contain an "itemized account of each expenditure...".

To be specific, the reports filed by the Maine Democratic State Committee have the exact same amount for the various mailers sent out to numerous different House districts. This is exceedingly unusual. It appears that instead of calculating the specific amounts attributable to each candidate, the Democratic State Committee has elected to simply divide the aggregate price amongst the various candidates to achieve a uniform price. Such an approach may be a convenient shortcut, but it fails to comply with the language and spirit of Maine's election finance disclosure laws, specifically 21-A M.R.S.A. §1019-B. Moreover, it is apparent that proper allocation could have been done, as the amounts reported in connection with the Senate candidates are not uniform numbers, but instead appear to correspond to the actual cost attributable to each candidate.

Based on the foregoing, the Party requests that the Commission investigate these mailings by the Maine Democratic State Committee to determine whether its filed reports filed substantially comply with the statute and whether to impose a sanction pursuant to 21-A M.R.S.A. §1020-A.

The Party requests that the Commission set these matter for consideration at its October 31, 2012 meeting. Please contact me with any questions or concerns.

Sincerely,



William P. Logan, Esq.

Enclosures



COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
 Mail: 135 State House Station, Augusta, Maine 04333
Office: 46 Memorial Circle, Augusta, Maine

Website: www.maine.gov/ethics
 Phone: 207-287-4179
 Fax: 207-287-6775

2012 SEED MONEY REPORT

FOR MOEA CANDIDATES

| CANDIDATE | |
|---|--|
| KATHERINE W. CASSIDY 5 FREE STREET MACHIAS ME 04854 OFFICE SOUGHT: REPRESENTATIVE COUNTY: -NONE- DISTRICT: 32 | TEL: FAX: E-MAIL: katherine.cassidy@gmail.com |
| TREASURER | |
| DONALD CRANE PO BOX 201 MILBRIDGE ME 04826 | TEL: FAX: E-MAIL: |
| TYPE OF REPORT | REPORTING PERIOD |
| SEED MONEY | 11/3/2010 - 4/27/2012 |
| NO FINANCIAL ACTIVITY IN THIS REPORTING PERIOD FOR SCHEDULES A1, D | |
| CERTIFICATION | |
| I, KATHERINE W. CASSIDY, CERTIFY THAT THE INFORMATION CONTAINED IN THIS REPORT IS TRUE, ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. REPORT FILED BY: KATHERINE W. CASSIDY REPORT FILED ON: 4/27/2012 IF THIS REPORT IS FILED BY AN AUTHORIZED AGENT OF THE CANDIDATE, THE CANDIDATE, TREASURER AND AGENT ARE LIABLE FOR ANY VIOLATIONS OF MAINE CAMPAIGN FINANCE LAW (21-A M.R.S.A. CHAPTER 13) AND THE COMMISSION'S RULES THAT MAY RESULT FROM THE FILING OF A FALSE OR INACCURATE REPORT. | |

UNSWORN FALSIFICATION IS A CLASS D CRIME (17-A M.R.S.A. § 453).

**SCHEDULE A
CASH CONTRIBUTIONS**

- Only individuals may make seed money contributions. Contributions must be from their personal funds and not from other sources. Each contributor may give up to \$100 in seed money. Lobbyists, lobbyist associates, and their employers may not make seed money contributions during the legislative session. Members of the candidate's family may each give up to \$100 in seed money, provided the contributions are from their personal funds.
- Total seed money contributions may not exceed \$200,000 for gubernatorial candidates, \$1,500 for Senate candidates, and \$500 for House candidates.
- For contributors who gave more than \$50, the name, address, occupation, and employer must be reported. If "Information requested" is listed instead of occupation and employer, the candidate is waiting to receive that information.
- Cash contributions of \$50 or less can be added together and reported as a lump sum.
- Contributor Types:
 - 1 = Candidate and Candidate's Spouse/Domestic Partner
 - 2 = Other Individuals
 - 8 = Contributors Giving \$50 or Less

| DATE RECEIVED | CONTRIBUTOR | OCCUPATION AND EMPLOYER | TYPE | AMOUNT |
|----------------------------|--|---------------------------------------|------|----------|
| 04/19/2012 | JON HINCK PORTLAND, ME 04102 | ATTORNEY LEWIS SAUL AND ASSOCIATES | 2 | \$100.00 |
| 04/20/2012 | CONTRIBUTORS GIVING \$50 OR LESS | | 8 | \$375.00 |
| 04/20/2012 | KATHERINE CASSIDY MACHIAS, ME 04654 | | 1 | \$25.00 |
| TOTAL CASH CONTRIBUTIONS ⇒ | | | | \$500.00 |

**SCHEDULE B
EXPENDITURES**

| EXPENDITURE TYPES | | | | |
|-------------------|---|---|--|--|
| CNS | Campaign consultants | POL | Polling and survey research | |
| CON | Contribution to other candidate, party, committee | POS | Postage for U.S. Mail and mail box fees | |
| EQP | Equipment (office machines, furniture, cell phones, etc.) | PRO | Other professional services | |
| FND | Fundraising events | PRT | Print media ads only (newspapers, magazines, etc.) | |
| FOD | Food for campaign events, volunteers | RAD | Radio ads, production costs | |
| LIT | Print and graphics (flyers, signs, palmcards, t-shirts, etc.) | SAL | Campaign workers' salaries and personnel costs | |
| MHS | Mail house (all services purchased) | TRV | Travel (fuel, mileage, lodging, etc.) | |
| OFF | Office rent, utilities, phone and internet services, supplies | TVN | TV or cable ads, production costs | |
| OTH | Other | WEB | Website design, registration, hosting, maintenance, etc. | |
| PHO | Phone banks, automated telephone calls | Only these expenditure types require a remark: CNS, EQP, FND, OTH, PRO, SAL, TRV. | | |

| DATE OF EXPENDITURE | PAYEE | REMARK | TYPE | AMOUNT |
|----------------------|-------------------|--------|------|----------|
| 04/20/2012 | MACH3MEDIA | | LIT | \$350.00 |
| 04/20/2012 | US POSTAL SERVICE | | POS | \$150.00 |
| TOTAL EXPENDITURES ⇒ | | | | \$500.00 |

KATHERINE W. CASSIDY
REPRESENTATIVE 32

**SCHEDULE F
SUMMARY SECTION
(MAINE CLEAN ELECTION ACT CANDIDATES)**

| CASH ACTIVITY | | |
|--|-----------------------|--------------------|
| | TOTAL FOR THIS PERIOD | TOTAL FOR CAMPAIGN |
| 1. CASH BALANCE FROM LAST REPORT (If any) | \$0.00 | |
| 2. SEED MONEY CONTRIBUTIONS (Schedule A) | \$500.00 | \$500.00 |
| 3. OTHER CASH RECEIPTS (Interest, etc.) | \$0.00 | \$0.00 |
| 4. MINUS EXPENDITURES (Schedule B) | \$500.00 | \$500.00 |
| 5. CASH BALANCE AT CLOSE OF PERIOD (Lines 1 + 2 + 3 - 4) | \$0.00 | |

| OTHER ACTIVITY | | |
|---|--------|--------|
| 6. IN-KIND SEED MONEY CONTRIBUTIONS (Schedule A-1) | \$0.00 | \$0.00 |
| 7. TOTAL UNPAID DEBTS AT CLOSE OF PERIOD (Schedule D) | \$0.00 | |



COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES
 Mail: 135 State House Station, Augusta, Maine 04333
 Office: 45 Memorial Circle, Augusta, Maine

Website: www.maine.gov/ethics
 Phone: 207-287-4179
 Fax: 207-287-6775

2012 CAMPAIGN FINANCE REPORT FOR POLITICAL ACTION COMMITTEES

| COMMITTEE INFORMATION | | |
|--|----------|---|
| HAYES FOR ME PO BOX 387 BUCKFIELD, ME 04220 | | TEL: (207)689-5484 FAX: EMAIL: terry@megalink.net |
| TREASURER | | |
| DOREEN SHEIVE 18 ABENAKI ROAD, APT. 1 AUGUSTA, ME 04330 | | TEL: (207)680-8498 EMAIL: dlaurels@roadrunner.com |
| TYPE OF REPORT | DUE DATE | REPORTING PERIOD |
| 11-DAY PRE-PRIMARY | 8/1/2012 | 4/1/2012 - 5/29/2012 |
| NO FINANCIAL ACTIVITY IN THIS REPORTING PERIOD FOR SCHEDULES A, A1, C, D | | |
| CERTIFICATION | | |
| I, DOREEN SHEIVE, CERTIFY THAT THE INFORMATION CONTAINED IN THIS REPORT IS TRUE, ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. | | |
| REPORT FILED BY: DOREEN SHEIVE REPORT FILED ON: June 01, 2012 | | |
| IF THIS REPORT IS FILED BY AN AUTHORIZED AGENT OF THE COMMITTEE, THE TREASURER AND AGENT ARE LIABLE FOR ANY VIOLATIONS OF MAINE CAMPAIGN FINANCE LAW (21-A M.R.S.A. CHAPTER 13) AND THE COMMISSION'S RULES THAT MAY RESULT FROM THE FILING OF A FALSE OR INACCURATE REPORT. | | |

UNSWORN FALSIFICATION IS A CLASS D CRIME (17-A M.R.S.A. § 453).

**SCHEDULE B
EXPENDITURES TO SUPPORT OR OPPOSE**

| EXPENDITURE TYPES | | | | |
|---|---|-----|--|--|
| CNS | Campaign consultants | POL | Polling and survey research | |
| CON | Contribution to other candidate, party, committee | POS | Postage for U.S. Mail and mail box fees | |
| EQP | Equipment (office machines, furniture, cell phones, etc.) | PRO | Other professional services | |
| FND | Fundraising events | PRT | Print media ads only (newspapers, magazines, etc.) | |
| FOD | Food for campaign events, volunteers | RAD | Radio ads, production costs | |
| LIT | Print and graphics (flyers, signs, palmcards, t-shirts, etc.) | SAL | Campaign workers' salaries and personnel costs | |
| MHS | Mail house (all services purchased) | TRV | Travel (fuel, mileage, lodging, etc.) | |
| OFF | Office rent, utilities, phone and internet services, supplies | TVN | TV or cable ads, production costs | |
| OTH | Other | WEB | Website design, registration, hosting, maintenance, etc. | |
| PHO | Phone banks, automated telephone calls | | | |
| Only these expenditure types require a remark: CNS, OTH, PRO. | | | | |

| DATE OF EXPENDITURE | PAYEE | REMARK | TYPE | AMOUNT |
|----------------------|--|--|------|----------|
| 04/12/2012 | ANDREA M. BOLAND | Contribution toward her Conference on Energy Vulnerability | CON | \$100.00 |
| | CONTRIBUTION: ANDREA M. BOLAND, REPRESENTATIVE, DISTRICT: 142 | | | |
| 04/10/2012 | KATHERINE W. CASSIDY | Seed money | CON | \$25.00 |
| | CONTRIBUTION: KATHERINE W. CASSIDY, REPRESENTATIVE, DISTRICT: 32 | | | |
| TOTAL EXPENDITURES ➡ | | | | \$125.00 |



deposited seed money or MCEA funds into the account. You are allowed to spend any interest earned on your campaign account, but you must remember to report any interest earned as a receipt.

The Commission staff recommends using the campaign account's checks or debit card as much as possible when making campaign expenditures with MCEA funds. Using the campaign account's checks or debit card (instead of cash) will create a record that the vendor received payment, which will be required if you are selected for a post-election audit of your campaign. It will also help you to keep track of the dates, amounts, and payees of your expenditures when it is time to file your campaign finance reports.

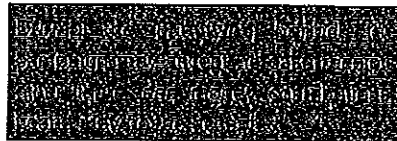
SEED MONEY

Seed Money Contributions. After registering with the Commission and signing the Declaration of Intent, a candidate becomes a "participating candidate." Before completing the process to qualify for MCEA funding, participating candidates finance their campaigns through limited contributions of up to \$100 from individuals ("seed money contributions").

| TOTAL AMOUNT OF SEED MONEY THAT MAY BE COLLECTED: | |
|---|---------|
| The total of cash and in-kind seed money contributions cannot exceed the amounts below. | |
| \$500 | \$1,500 |

Candidates for State Representative in the 2012 elections may collect up to \$500 in seed money contributions and candidates for State Senator may collect up to \$1,500 prior to submitting their qualifying papers for public funding. These contributions may be

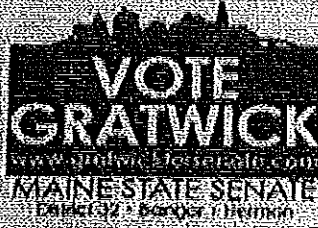
from individuals who live in Maine or out-of-state.



Seed Money Restrictions. Seed money must comply with the following restrictions:

- Only individuals may make seed money contributions, up to \$100 per contributor.
- All seed money contributions must be from the personal funds of the individual.
- You and members of your family may each give up to \$100 in seed money, provided the money comes from the personal funds of the contributor and not from another member of the family.
- No contribution may be accepted from businesses, groups, or associations, such as political action committees, party committees, labor unions, or trade associations.
- During a legislative session, lobbyists, lobbyist associates, and their clients may not make seed money contributions to the Governor, Legislators, constitutional officers, or their staff and agents (even with their personal funds).
- All expenditures during the qualifying period must be made with seed money contributions, and not from any other source of funds.

In-Kind Seed Money Contributions. Goods and services that are provided to the campaign at no cost



Tody,

Fantastic job you are doing!
Great to talk on Thursday. Please
call with questions.
Best,
Geoffrey Gratwick

Geoffrey Gratwick
1230 Kenduskeag Ave
Bangor, ME 04401



FOREVER

USA

Tody Bonassa
St Thomas Hill Rd
Bangor, ME 04401



October 17, 2012

Jonathan Wayne,
Executive Director
Maine Ethics Commission
135 State House Station
Augusta, ME 04333

Dear Mr. Wayne,

I am writing in response to Maine Republican Party's recent complaint that referenced my campaign.

I accidentally received and deposited a \$25 check from the Hayes for ME PAC as a portion of my seed money contributions. I accepted this money because I thought they were personal funds. Your office later notified me that I had accepted a PAC contribution, but that Terry Hayes had rectified the situation by depositing \$25 of personal funds into her PAC account.

Thank you for bringing this error to my attention and for working with Terry Hayes to correct the situation. This error was completely unintentional – and there was no attempt to hide the contribution – as it was appropriately reported in both reports in the Spring. Given these factors, I respectfully request that the Commission issue no penalty for this error.

Unless it is absolutely necessary, I do not plan on attending the Commission's meeting on October 31, as it is very far from my home in Lubec and very close to the election.

Sincerely,

Katherine Cassidy



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: (207) 287-4469

RepTerry.Hayes@legislature.maine.gov



Teresea M. Hayes

P.O. Box 367

Buckfield, ME 04220

Residence: (207) 336-2028

Business: (207) 336-2290

Fax: (207) 336-2288

E-Mail: terry@megalink.net

October 15, 2012

Jonathan Wayne
Executive Director
Maine Ethics Commission
135 State House Station
Augusta, ME 04333

RE: Your letter of 10/9/12; Attorney Logan's letter of 10/4/12

Dear Mr. Wayne:

I write in response to the two letters referenced above. In Mr. Logan's letter, Request No. 2 seeks investigation of an improper seed money contribution listed on the Hayes for ME PAC report as a seed money contribution to MCE candidate Katherine Cassidy, dated April 16, 2012. My review of the Hayes for ME PAC records indicates that Mr. Logan is correct, I did mistakenly provide Candidate Cassidy with a \$25 seed money contribution from the wrong account in April 2012.

I actually wrote Candidate Cassidy two checks for \$25 in seed money, one in March from personal funds which she returned to me. In April she renewed her request for seed money just in advance of the MCE qualifying deadline. I thought I resent her the check from personal funds, but I had used my PAC checkbook by mistake.

Doreen Sheive, my PAC treasurer, dutifully reported the check (expenditure) on my PAC report as it accurately reflected my actions. Neither of us caught the error until I was contacted by your office regarding Mr. Logan's letter earlier this month. The same day that the error was called to my attention by your staff I deposited \$25 of personal funds into my PAC account in an effort to correct my mistake.

I am grateful to Mr. Logan for bringing this error to your attention and to you for providing me the opportunity to research my actions and respond. I regret my error and the time it has required of your staff to investigate. I will attend the Commission's meeting on 10/31/12 as requested so that I can answer any questions the Commission members may have.

Sincerely,

Rep. Terry Hayes

Cc: Doreen Sheive; William Logan, Esq.

[illegible]

| | | |
|------|-----------------|--------|
| 1015 | Posted 20120419 | 550.00 |
|------|-----------------|--------|

[illegible]

#1017 Posted 20120326 \$14.00

RECEIVED
 HUNTERDON
 N. J.
 JAN 10 1915
 FROM THE
 OFFICE OF THE
 COUNTY CLERK

15 1315

JAN 10 1915

Lincoln County, Tenn. 1 38.00
 Twenty eight and — ~~two~~ ^{two} ~~cents~~ ^{cents} 00

Northeast
 GAUN

Hunterdon, N. J.

Hunterdon, N. J.

#1018 Posted 20120413 \$38.00

[illegible]

#1020 Posted 20120423 \$25.00

[The following text is heavily obscured by horizontal black bars, likely representing redacted information or extremely poor scan quality.]

THE UNIVERSITY OF CHICAGO

BERNSTEIN SHUR

COUNSELORS AT LAW

207-774-1200 main
207-774-1127 facsimile
bernsteinshur.com

100 Middle Street
PO Box 9729
Portland, ME 04104-5029

Kate R. Knox
207 228-7229 direct
kknox@bernsteinshur.com

October 17, 2012

Mr. Jonathan Wayne
Executive Director
Maine Commission on Governmental Ethics and Election Practices
135 State House Station
Augusta, ME 04333

**Re: RESPONSE TO MAINE REPUBLICAN PARTY'S REQUEST FOR
INVESTIGATION OF GEOFFERY GRATWICK'S POSTCARD
DISCLAIMERS**

Dear Mr. Wayne:

As requested in your letter dated October 5, 2012, Candidate Geoffrey Gratwick hereby responds to the allegations set forth by the Maine Republican Party in the Request for Investigation ("RFI") dated October 4, 2012.

Candidate Geoffrey Gratwick is running for election in State Senate District 32 and is a certified Maine Clean Election Candidate. As part of his campaign, Candidate Gratwick has purchased pre-stamped postcards from the United States Postal Service in Bangor, Maine, which he uses to send handwritten follow-up notes to residents he has visited. He then uses his home computer and printer to print a "Vote Gratwick" logo on one side of the card, and on the side with the pre-printed "Forever" stamp he prints his name and home return address. Candidate Gratwick then hand-writes a personal note and the residents' address. The pre-stamped postcards cost 35¢ from the Post Office (See Attachment #1).

As the Commission noted in its October 5, 2012 letter, when a candidate spends money on mail to voters advocating for the candidate's election, the communication "must clearly state the name ... of the person who made or financed the expenditure for the communication" and "must clearly and conspicuously state that the communication" has been authorized by the candidate. (21-A M.R.S.A. § 1014(1)).

A review of the campaign records indicate that Candidate Gratwick has mistakenly sent 505 postcards without the required disclaimer.¹ This omission was inadvertent and unintentional and the Candidate has since corrected the error and included the required disclaimer on all subsequent postcards.

October 17, 2012

Page 2 of 2

The enforcement provisions in 21-A M.R.S.A. § 1014(4) notes that in assessing any penalty, the Commission shall consider, among other things, how widely the communication was disseminated, whether the violation was intentional, and whether the communication conceals or misrepresents the identity of the person who financed it. Further, the statute states that if "the person who financed the communication or who committed the violation corrects the violation within 10 days after receiving notification of the violation from the commission by adding the missing information to the communication, the commission may decide to assess no civil penalty." Id.

In this case, the postcards that mistakenly omitted the disclosure were sent to 505 voters for a total cost of \$176.75. The identity of the candidate was not concealed or misrepresented- the front of the card contains a "Vote Gratwick" logo with the candidate's website, and the candidate's name and home address is printed on the opposite side. Further, once this omission was brought to his attention, Candidate Gratwick immediately corrected the mistake.

Candidate Gratwick sincerely regrets this oversight, and respectfully requests that the Commission determine in its discretion that no fine be assessed for this omission since the violation was unintentional, immediately corrected and because the postcards clearly identified Candidate Gratwick as the sender.

Sincerely,

A handwritten signature in black ink, appearing to read "Kate R. Knox", with a stylized, flowing script.

Kate R. Knox

KRK

¹ 505 postcards represents approximately 1.4% of the total population of the district which, according the 2000 U.S. Census, is 36,426.

10/17/12

Sailboat Stamped Cards - The Postal Store @ USPS.com

ATTACHMENT #1

English

Customer Service

USPS Mobile

Register / Sign In

Shopping Cart (0)



Search USPS.com or Track Packages

Quick Tools

Ship a Package

Send Mail

Manage Your Mail

Shop

Business Solutions

Home :: [Buy Stamps](#) :: Stamped Cards and Envelopes



[View Larger Image](#)
Sailboat Stamped Cards

DESCRIPTION

Whether racing along the coast or bobbing in harbors, sailboats add to the allure of any water view. These 2012 Sailboat (Forever®) stamped cards highlight the scenic beauty of America's waterways by featuring an oil painting of a moored sailboat.

The first ocean-going boats designed for recreational sailing were built by the Dutch in the 1600s. Dutch immigrants brought pleasure sailing with them to New York in the same century, helping to launch the sport in the United States. With the founding of the influential New York Yacht Club in 1844, sailing was on its way to becoming the popular pursuit it remains today.

For the crews of the estimated 1.5 million sailboats in the United States, sailing is about much more than just scenery. The sport is now embraced by a wide range of sailors from families spending a day on the water, to athletes competing in races, to cruisers sailing from port to port and adventurers crossing entire oceans. People of all ages and abilities can learn to sail: America's oldest Olympic athlete in half a century, 58-year-old John Dane, competed with the U.S. sailing team in 2008. Sailing is also accessible to people with disabilities. In 1998, Geoffrey Hilton-Barber became the first blind sailor to cross an ocean sailing solo.

The stamp art features an impressionistic oil painting of a moored sailboat. The sailboat, a one-masted sloop, rests with its sails furling while a single sailor stands on deck. Artist Burton Silverman based the oil painting on a photograph he took during a summer sailing trip to Long Island Sound. Art director Dery Noyes designed the stamped card.

The 35-cent Sailboat Stamped Card is being issued at the Forever® postcard rate. It will always be equal to the value of the postcard rate in effect at the time of use.

Made in the USA.

SKUs featured on this page: 224110, 224180

Select Format



Quantity: 1

\$3.50 - \$1,750.00

[Favorites](#)

[Share](#)

[Back To Browsing](#)

You Might Also Like
From The Collection
Top Sellers
Recently Viewed



12

[Sailboat First Day Cover](#)

\$0.47

[Buy](#)



[Sailboat First Day Cover Reply Card](#)

\$0.82

[Buy](#)

CHAPTER 14
THE MAINE CLEAN ELECTION ACT

21A § 1121. Short title

This chapter may be known and cited as the "Maine Clean Election Act."

21A § 1122. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Certified candidate. "Certified candidate" means a candidate running for Governor, State Senator or State Representative who chooses to participate in the Maine Clean Election Act and who is certified as a Maine Clean Election Act candidate under section 1125, subsection 5.

2. Commission. "Commission" means the Commission on Governmental Ethics and Election Practices established by Title 5, section 12004-G, subsection 33.

3. Contribution. "Contribution" has the same meaning as in section 1012, subsection 2.

4. Fund. "Fund" means the Maine Clean Election Fund established in section 1124.

4-A. Immediate family. "Immediate family" has the same meaning as in section 1, subsection 20 and includes a candidate's domestic partner and the immediate family of the candidate's domestic partner.

5. Nonparticipating candidate. "Nonparticipating candidate" means a candidate running for Governor, State Senator or State Representative who does not choose to participate in the Maine Clean Election Act and who is not seeking to be certified as a Maine Clean Election Act candidate under section 1125, subsection 5.

6. Participating candidate. "Participating candidate" means a candidate who is running for Governor, State Senator or State Representative who is seeking to be certified as a Maine Clean Election Act candidate under section 1125, subsection 5.

7. Qualifying contribution. "Qualifying contribution" means a donation:


- A. Of \$5 or more in the form of a check or a money order payable to the fund and signed by the contributor in support of a candidate or made over the Internet in support of a candidate according to the procedure established by the commission;
- B. Made by a registered voter within the electoral division for the office a candidate is seeking and whose voter registration has been verified according to procedures established by the commission;
- C. Made during the designated qualifying period; and

D. That the contributor acknowledges was made with the contributor's personal funds and in support of the candidate and was not given in exchange for anything of value and that the candidate acknowledges was obtained with the candidate's knowledge and approval and that nothing of value was given in exchange for the contribution, on forms provided by the commission.

8. Qualifying period. "Qualifying period" means the following.

A. For a gubernatorial participating candidate, the qualifying period begins October 15 immediately preceding the election year and ends at 5:00 p.m. on April 1 of the election year.

B. For State Senate or State House of Representatives participating candidates, the qualifying period begins January 1st of the election year and ends at 5:00 p.m. on April 20 of that election year or the next business day following April 20 if the office of the commission is closed on April 20.

 **9. Seed money contribution.** "Seed money contribution" means a contribution of no more than \$100 per individual made to a participating candidate, including the candidate or the candidate's spouse or domestic partner.

21A § 1123. Alternative campaign financing option

This chapter establishes an alternative campaign financing option available to candidates running for Governor, State Senator and State Representative. This alternative campaign financing option is available to candidates for elections to be held beginning in the year 2000. The commission shall administer this Act and the fund. Candidates participating in the Maine Clean Election Act must also comply with all other applicable election and campaign laws and regulations.

21A § 1124. The Maine Clean Election Fund established; sources of funding

1. Established. The Maine Clean Election Fund is established to finance the election campaigns of certified Maine Clean Election Act candidates running for Governor, State Senator and State Representative and to pay administrative and enforcement costs of the commission related to this Act. The fund is a special, dedicated, nonlapsing fund and any interest generated by the fund is credited to the fund. The commission shall administer the fund.

2. Sources of funding. The following must be deposited in the fund:

A. The qualifying contributions required under section 1125 when those contributions are submitted to the commission;

B. Two million dollars of the revenues from the taxes imposed under Title 36, Parts 3 and 8 and credited to the General Fund, transferred to the fund by the Treasurer of State on or before January 1st of each year, beginning January 1, 1999. These revenues must be offset in an equitable manner by an equivalent reduction within the administrative divisions of the legislative branch and executive branch agencies. This section may not affect the funds distributed to the Local Government Fund under Title 30-A, section 5681.

C. Revenue from a tax check off program allowing a resident of the State who files a tax return with the State Tax Assessor to designate that \$3 be paid into the fund. If a husband and wife file a joint return, each spouse may designate that \$3 be paid. The State Tax Assessor shall report annually the amounts designated for the fund to the State Controller, who shall transfer that amount to the fund;

D. Seed money contributions remaining unspent after a candidate has been certified as a Maine Clean Election Act candidate;

E. Fund revenues that were distributed to a Maine Clean Election Act candidate and that remain unspent after the candidate has lost a primary election or after all general elections;

F. Other unspent fund revenues distributed to any Maine Clean Election Act candidate who does not remain a candidate throughout a primary or general election cycle;


G. Voluntary donations made directly to the fund; and

H. Fines collected under section 1020-A, subsection 4-A and section 1127.

3. Determination of fund amount. If the commission determines that the fund will not have sufficient revenues to cover the likely demand for funds from the Maine Clean Election Fund in an upcoming election by January 1st, the commission shall provide a report of its projections of the balances in the Maine Clean Election Fund to the Legislature and the Governor. The commission may submit legislation to request additional funding or an advance on revenues to be transferred pursuant to subsection 2, paragraph B.

21A § 1125. Terms of participation

1. Declaration of intent. A participating candidate must file a declaration of intent to seek certification as a Maine Clean Election Act candidate and to comply with the requirements of this chapter. The declaration of intent must be filed with the commission prior to or during the qualifying period, except as provided in subsection 11, according to forms and procedures developed by the commission. Qualifying contributions collected more than 5 business days before the declaration of intent has been filed will not be counted toward the eligibility requirement in subsection 3.


 **2. Contribution limits for participating candidates.** Subsequent to becoming a candidate as defined by section 1, subsection 5 and prior to certification, a participating candidate may not accept contributions, except for seed money contributions. A participating candidate must limit the candidate's total seed money contributions to the following amounts:

A. Two hundred thousand dollars for a gubernatorial candidate;

B. One thousand five hundred dollars for a candidate for the State Senate; or

C. Five hundred dollars for a candidate for the State House of Representatives.

The commission may, by rule, revise these amounts to ensure the effective implementation of this chapter.

 **2-A. Seed money restrictions.** To be eligible for certification, a participating candidate may collect and spend only seed money contributions subsequent to becoming a candidate and prior to certification. A participating candidate may not solicit, accept or collect seed money contributions after certification as a Maine Clean Election Act candidate.

A. All goods and services received prior to certification must be paid for with seed money contributions, except for goods and services that are excluded from the definition of contribution in section 1012, subsection 2, paragraph B. It is a violation of this chapter for a participating candidate to use fund revenues received after certification to pay for goods and services received prior to certification.

B. Prior to certification, a participating candidate may obligate an amount greater than the seed money collected, but may only receive that portion of goods and services that has been paid for or will be paid for with seed money. A participating candidate who has accepted contributions or made expenditures that do not comply with the seed money restrictions under this chapter may petition the commission to remain eligible for certification as a Maine Clean Election Act candidate in accordance with rules of the commission, if the failure to comply was unintentional and does not constitute a significant infraction of these restrictions.

C. Upon requesting certification, a participating candidate shall file a report of all seed money contributions and expenditures. If the candidate is certified, any unspent seed money will be deducted from the amount distributed to the candidate as provided in subsection 8-A.

2-B. Seed money required for gubernatorial candidates; documentation. For seed money contributions that a candidate for Governor collects to satisfy the requirement in subsection 5, paragraph C-1, the candidate shall obtain the contributor's name, residence address, mailing address, telephone number if provided by the contributor and other information required for reporting under section 1017, subsection 5. For these contributions, the candidate shall submit to the commission during the qualifying period:

A. A contribution acknowledgment form as determined by the commission, to be completed by each person that contributes seed money, that includes the name, residence address, mailing address, optional telephone number and signature of the person making the seed money contribution acknowledging that the contribution was made with the person's personal funds and will not be reimbursed by any source;

B. A list of the seed money contributions in a format determined by the commission that includes the name and mailing address of the contributor;

C. For seed money contributions received by check or money order, photocopies of the check or money order; and

D. For seed money contributions received by debit or credit card, a bank or merchant account statement that contains the cardholder's name and that otherwise meets the requirements specified by the commission in order to verify compliance with subsection 5, paragraph C-1.

The commission may permit the submission of an online or electronic acknowledgment form as required by paragraph A for seed money contributions made via the Internet.

21A § 1014. Publication or distribution of political statements

1. Authorized by candidate. Whenever a person makes an expenditure to finance a communication expressly advocating the election or defeat of a clearly identified candidate through broadcasting stations, cable television systems, newspapers, magazines, campaign signs or other outdoor advertising facilities, publicly accessible sites on the Internet, direct mails or other similar types of general public political advertising or through flyers, handbills, bumper stickers and other nonperiodical publications, the communication, if authorized by a candidate, a candidate's authorized political committee or their agents, must clearly and conspicuously state that the communication has been so authorized and must clearly state the name and address of the person who made or financed the expenditure for the communication. The following forms of political communication do not require the name and address of the person who made or authorized the expenditure for the communication because the name or address would be so small as to be illegible or infeasible: ashtrays, badges and badge holders, balloons, campaign buttons, clothing, coasters, combs, emery boards, envelopes, erasers, glasses, key rings, letter openers, matchbooks, nail files, noisemakers, paper and plastic cups, pencils, pens, plastic tableware, 12-inch or shorter rulers, swizzle sticks, tickets to fund-raisers, electronic media advertisements where compliance with this section would be impracticable due to size or character limitations and similar items determined by the commission to be too small and unnecessary for the disclosures required by this section. A communication financed by a candidate or the candidate's committee is not required to state the address of the candidate or committee that financed the communication. A communication in the form of a sign that is financed by a candidate or the candidate's committee and that clearly identifies the name of the candidate and is lettered or printed individually by hand is not required to include the name and address of the person who made or financed the communication or to include a statement that the communication has been authorized by the candidate, the candidate's authorized committee or their agents.




2. Not authorized by candidate. If the communication described in subsection 1 is not authorized by a candidate, a candidate's authorized political committee or their agents, the communication must clearly and conspicuously state that the communication is not authorized by any candidate and state the name and address of the person who made or financed the expenditure for the communication. If the communication is in written form, the communication must contain at the bottom of the communication in 12-point bold print, Times New Roman font, the words "NOT PAID FOR OR AUTHORIZED BY ANY CANDIDATE."

2-A. Other communications. Whenever a person makes an expenditure to finance a communication that names or depicts a clearly identified candidate and that is disseminated during the 21 days before a primary election or 35 days before a general election through the media described in subsection 1, the communication must state the name and address of the person who made or financed the communication and a statement that the communication was or was not authorized by the candidate. The disclosure is not required if the communication was not made for the purpose of influencing the candidate's nomination for election or election.

3. Broadcasting prohibited without disclosure. No person operating a broadcasting station or cable television system within this State may broadcast any communication, as described in subsections 1 to 2-A, without an oral or written visual announcement of the disclosure required by this section.

3-A. In-kind contributions of printed materials. A candidate, political committee or political action committee shall report on the campaign finance report as a contribution to the candidate, political committee or political action committee any contributions of in-kind printed materials to be used in the support of a candidate or in the support or defeat of a ballot question. Any in-kind contributions of printed materials used or distributed by a candidate, political committee or political action committee must include the name or title of that candidate, political committee or political action committee as the authorizing agent for the printing and distribution of the in-kind contribution.

3-B. Newspapers. A newspaper may not publish a communication described in subsections 1 to 2-A, without including the disclosure required by this section. For purposes of this subsection, "newspaper" includes any printed material intended for general circulation or to be read by the general public, including a version of the newspaper displayed on a website owned or operated by the newspaper. When necessary, a newspaper may seek the advice of the commission regarding whether or not the communication requires the disclosure.

 **4. Enforcement.** A violation of this section may result in a civil penalty of no more than \$5,000, except that an expenditure for yard signs lacking the required information may result in a maximum civil penalty of \$200. In assessing a civil penalty, the commission shall consider, among other things, how widely the communication was disseminated, whether the violation was intentional, whether the violation occurred as the result of an error by a printer or other paid vendor and whether the communication conceals or misrepresents the identity of the person who financed it. If the person who financed the communication or who committed the violation corrects the violation within 10 days after receiving notification of the violation from the commission by adding the missing information to the communication, the commission may decide to assess no civil penalty.

5. Telephone calls. Prerecorded automated telephone calls and scripted live telephone communications that name a clearly identified candidate during the 21 days before a primary election or the 35 days before a general election must clearly state the name of the person who made or financed the expenditure for the communication, except for prerecorded automated telephone calls paid for by the candidate that use the candidate's voice in the telephone call and that are made in support of that candidate. Telephone calls made for the purposes of researching the views of voters are not required to include the disclosure.

6. Exclusions. The requirements of this section do not apply to:

A. Handbills or other literature produced and distributed at a cost not exceeding \$100 and prepared by one or more individuals who are not required to register or file campaign finance reports with the commission and who are acting independently of and without authorization by a candidate, candidate's authorized campaign committee, party committee, political action committee or ballot question committee or an agent of a candidate, candidate's authorized campaign committee, party committee, political

- H. authorization by the candidate for the Commission, its agents or representatives to conduct financial audits of the candidate's campaign financial records and account(s).

3. **Seed Money Restrictions**

- A. **General.** After becoming a candidate and before certification, a participating candidate may collect and spend only seed money contributions. The restrictions on seed money contributions apply to both cash and in-kind contributions.

- B. **Total Amount**

- (1) A participating candidate must limit the candidate's total seed money contributions to the following amounts:
 - (a) two hundred thousand dollars for a gubernatorial candidate;
 - (b) one thousand five hundred dollars for a candidate for the State Senate; or
 - (c) five hundred dollars for a candidate for the State House of Representatives.
- (2) Notwithstanding any other provision of this chapter, a candidate may carry forward to a new candidacy of that candidate campaign equipment or property, subject to the reporting requirements of Title 21-A, chapter 13 [Campaign Reports and Finances].
- (3) The Commission periodically will review these limitations and, through rulemaking, revise these amounts to ensure effective implementation of the Act.

- C. **Required seed money for gubernatorial candidates.** In addition to the other requirements for certification, a candidate for Governor seeking to qualify for Maine Clean Election Act funding shall collect at least \$40,000 in seed money contributions from registered voters in Maine. Only cash seed money contributions count toward the \$40,000 requirement. The candidate shall obtain documentation of the contributions as required by the Act [§1125(2-B)].

- D. **Campaign surplus.** A candidate who has carried forward campaign surplus according to Title 21-A, chapter 13, subchapter II [§1017(8) and §1017(9)], and who intends to become a participating candidate, must dispose of campaign surplus in accordance with the requirements of Title 21-A, chapter 13, subchapter II [§1017(8)]; provided, however, that a candidate may carry forward only those portions of campaign surplus that comply with the provisions of this Act regarding seed money contributions [§§ 1122(9) and 1125(2)]. Any campaign surplus (excluding campaign equipment or property) carried forward under this provision will be counted toward that candidate's total seed money limit.

INFORMATIONAL NOTE: The Commission will provide educational materials to all former candidates who have a campaign surplus describing the requirement that individuals must dispose of campaign surplus to remain eligible for participation as a Maine Clean Election Act candidate.

- E. **Return of Contributions Not in Compliance with Seed Money Restrictions.** A participating candidate who receives a contribution exceeding the seed money per donor restriction or the total amount restriction must immediately return the contribution and may not cash, deposit, or otherwise use the contribution.

- F. **Case-by-Case Exception.** A participating candidate who has accepted contributions or made expenditures that do not comply with seed money restrictions may petition the Commission to remain eligible for certification as a Maine Clean Election Act candidate. The Commission may approve the petition and restore a candidate's eligibility for certification if the candidate successfully establishes all of the following criteria:

- (1) the failure to comply was the result of an unintentional error;
- (2) the candidate immediately returned all contributions that did not comply with seed money restrictions or paid for goods or services contributed that did not comply with seed money restrictions;
- (3) the candidate petitioned the Commission promptly upon becoming aware of the unintentional error; and
- (4) the failure to comply did not involve expenditures by the participating candidate significantly in excess of seed money total amount restrictions or otherwise constitute systematic or significant infractions of seed money restrictions.

- G. After becoming a candidate and prior to certification, accepting a loan from any source including a financial institution and spending money received in the form of a loan, are violations of the seed money restrictions of the Act.

- H. **Other.** A seed money contributor may also make a qualifying contribution to the same participating candidate provided that the contributor otherwise meets the requirements for making a qualifying contribution.

4. **Qualifying Contributions**

- A. **General.** A participating candidate may collect qualifying contributions only during the relevant qualifying period. Qualifying contributions collected more than five days before filing a Declaration of Intent with the Commission will not be counted toward the eligibility requirement. Qualifying contributions must be acknowledged and reported on forms provided by the Commission.

The forms must include: